

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

2315
RECEIVED
LEGISLATIVE AUDITOR

2008 OCT 20 AM 10:46

CITY OF SCOTT, LOUISIANA

Financial Report

Year Ended June 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/29/08

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-2
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net assets	5
Statement of activities	6
 FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	9
Reconciliation of the governmental funds balance sheet to the statement of net assets	10
Statement of revenues, expenditures, and changes in fund balances- governmental funds	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	12
Statement of net assets - proprietary fund	13
Statement of revenues, expenses, and change in fund net assets - proprietary fund	14-15
Statement of cash flows - proprietary fund	16-17
Notes to basic financial statements	18-37
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	39
1968 Sales Tax Special Revenue Fund	40
1984 Sales Tax Special Revenue Fund	41
TIF District Sales Tax Special Revenue Fund	42

(continued)

TABLE OF CONTENTS (Continued)

	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION	
Statement of net assets - compared to prior year totals	44
General and Special Revenue Funds - comparative balance sheet	45
Major Governmental Funds - Detail budgetary comparison schedules compared to actual for prior year	
General Fund - budgetary comparison schedule - revenues	46-47
General Fund - budgetary comparison schedule- expenditures	48-51
1968 Sales Tax Fund - budgetary comparison schedule	52-53
1984 Sales Tax Fund - budgetary comparison schedule	54-55
Sewer System Construction Fund	56
Nonmajor Governmental Funds -	
Combining balance sheet	57
Combining statement of revenues, expenditures, and changes in fund balances	58
Nonmajor debt service fund -	
Schedule of revenues, expenditures and changes in fund balance - budget (GAAP basis) and actual - Sales Tax Bonds Fund	60
Nonmajor capital projects fund -	
Schedule of revenues, expenditures and changes in fund balance - budget (GAAP basis) and actual - Street Improvement and Construction Fund	62
Schedule of number of utility customers (unaudited)	63
Schedule of insurance in force (unaudited)	64
Combined schedule of interest-bearing deposits and investments - all funds	65-66
Comparative statement of net assets - proprietary fund	67
Comparative statement of revenues, expenses, and change in fund net assets - proprietary fund	68-69
Comparative statement of cash flows - proprietary fund	70-71
Comparative departmental analysis of revenues and expenses - proprietary fund	72-73
INTERNAL CONTROL AND COMPLIANCE	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	75-76
Summary schedule of current and prior year audit findings and corrective action plan	77-78

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Nixon, CPA*

Tynes E. Nixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guidry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Wanda F. Arcement, CPA
Kristin B. Dauzat, CPA
Richard R. Anderson Sr., CPA
Carolyn C. Anderson, CPA

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Clossie, CPA 2007

* A Professional Accounting Corporation

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 628-0272
Fax (337) 628-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddell St.
Marksville, LA 71351
Phone (318) 253-6252
Fax (318) 253-6681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4668

621 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE:
WWW.KCSRCPAS.COM

INDEPENDENT AUDITORS' REPORT

The Honorable Hazel Myers, Mayor,
and Members of the Board of Aldermen
City of Scott, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 18, 2008, on our consideration of the City of Scott, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 39 through 42 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The prior year comparative information on the required supplementary information has been derived from the City of Scott's 2007 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The City of Scott has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Scott, Louisiana's basic financial statements. The other supplementary information on pages 44 through 73 is presented for purposes of additional analysis and is not a required part of the basic financial statements. All of the supplementary information, except for the schedule of number of utility customers and the schedule of insurance in force, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in relation to the basic financial statements taken as a whole. The schedule of number of utility customers and the schedule of insurance in force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them. The prior year comparative information on the other supplementary information has been derived from the City of Scott's 2007 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole, except for the schedule of number of utility customers which was not subjected to the auditing procedures and on which we expressed no opinion.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 18, 2008

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

CITY OF SCOTT, LOUISIANA

Statement of Net Assets
June 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 3,313,541	\$ 2,202,691	\$ 5,516,232
Investments	4,193,228	51,182	4,244,410
Receivables, net	332,102	297,352	629,454
Internal balances	(349,467)	349,467	-
Due from other governmental units	52,685	-	52,685
Prepaid items	75,520	19,975	95,495
Total current assets	<u>7,617,609</u>	<u>2,920,667</u>	<u>10,538,276</u>
Noncurrent assets:			
Restricted assets:			
Interest-bearing deposits	-	30,486	30,486
Investments	-	133,336	133,336
Capital assets, net	<u>8,727,309</u>	<u>7,561,234</u>	<u>16,288,543</u>
Total noncurrent assets	<u>8,727,309</u>	<u>7,725,056</u>	<u>16,452,365</u>
Total assets	<u>16,344,918</u>	<u>10,645,723</u>	<u>26,990,641</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	281,870	138,311	420,181
Deferred revenue	<u>71,016</u>	<u>45,361</u>	<u>116,377</u>
Total current liabilities	<u>352,886</u>	<u>183,672</u>	<u>536,558</u>
Noncurrent liabilities:			
Customers' deposits payable	<u>-</u>	<u>163,822</u>	<u>163,822</u>
Total liabilities	<u>352,886</u>	<u>347,494</u>	<u>700,380</u>
NET ASSETS			
Invested in capital assets	8,727,309	7,561,234	16,288,543
Unrestricted	<u>7,264,723</u>	<u>2,736,995</u>	<u>10,001,718</u>
Total net assets	<u>\$15,992,032</u>	<u>\$10,298,229</u>	<u>\$26,290,261</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Activities

For the Year Ended June 30, 2008

	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 595,231	\$ 226,822	\$ 15,805	\$ -	\$ (352,604)	\$ -	\$ (352,604)
Public safety:							
Police	1,466,504	426,782	584	62,790	(976,348)	-	(976,348)
Auxiliary Police	10,579	-	-	-	(10,579)	-	(10,579)
Fire	157,478	-	-	-	(157,478)	-	(157,478)
Streets	1,423,634	-	396,960	494,910	(531,764)	-	(531,764)
Culture and tourism	53,612	-	33,040	-	(20,572)	-	(20,572)
Total governmental activities	3,707,038	653,604	446,389	557,700	(2,049,345)	-	(2,049,345)
Business-type activities:							
Gas	428,533	503,510	-	-	-	134,977	134,977
Water	789,659	916,958	-	-	-	127,299	127,299
Sewer	538,857	355,433	-	-	-	(183,424)	(183,424)
Garbage	515,045	537,530	-	-	-	22,485	22,485
Total business-type activities	2,272,094	2,373,431	-	-	-	101,337	101,337
Total	\$ 5,979,132	\$ 3,027,035	\$ 446,389	\$ 557,700	\$ (2,049,345)	\$ 101,337	\$ (1,948,008)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					\$ 178,191	\$ -	\$ 178,191
Sales and use taxes, levied for general purposes					3,014,736	-	3,014,736
Franchise taxes					413,437	-	413,437
Grants and contributions not restricted to specific programs -							
State sources					28,384	-	28,384
Interest and investment earnings					240,637	81,864	322,501
Transfers					(238,119)	238,119	-
Total general revenues and transfers					3,637,266	319,983	3,957,249
Change in net assets					1,587,921	421,320	2,009,241
Net assets - July 1, 2007					14,404,111	9,876,909	24,281,020
Net assets - June 30, 2008					\$ 15,992,032	\$ 10,298,229	\$ 26,290,261

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

1968 Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax. These taxes are dedicated and used for the purpose of construction, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, drainage facilities, streets and sidewalks, including the purchase of equipment therefore, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds of the City in the manner authorized in the Louisiana Revised Statutes.

1984 Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax. These taxes are dedicated and used for the purpose of construction, acquiring, extending, improving, operating and/or maintaining public streets and bridges, sewers and sewerage disposal works, recreational facilities and drainage facilities; purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities; providing additional funds to maintain the City's auxiliary police force and volunteer fire department; maintaining the natural gas transmission and distribution system of the City; and funding into bonds for any of these purposes in accordance with the Louisiana Revised Statutes.

Taxing Increment Financing (TIF) District Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax levied on the businesses located in the Apollo Road Economic Development District, State of Louisiana (the "District"). These taxes are dedicated and used for the purpose of financing economic development projects in the District.

Capital Projects Fund

Sewer System Construction Fund -

To account for improvements made to the City's sewerage system using proceeds from Louisiana Community Development Block Grant (LCDBG) federal grant funds, Louisiana Government Assistance Program (LGAP) state grant funds, and City funds. The project was completed as of June 30, 2008.

Enterprise Fund

Utility Fund -

To account for the provision of gas, water, sewerage, and garbage services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF SCOTT, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2008

	1968 Sales		1984 Sales		TIF		Sewer System Construction	Other Governmental Funds	Total
	General	Special Revenue	Sales Tax	Special Revenue	District Sales Tax	Special Revenue			
ASSETS									
Cash	\$ 174,888	\$ 9,416	\$ 14,434	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,738
Interest-bearing deposits	323,762	936,278	1,667,323	112,243	112,243		56,978	18,219	3,114,803
Investments	469,762	2,629,611	1,093,855	-	-	-	-	-	4,193,228
Receivables:									
Taxes	1,980	115,419	115,419	21,271	21,271		-	-	254,089
Accrued interest	117	1,090	14,703	24	24		-	-	15,934
Due from other funds	316,441	-	84,677	-	-	-	-	-	401,118
Due from other governmental units	5,399	27,452	-	-	-	-	19,834	-	52,685
Other	62,079	-	-	-	-	-	-	-	62,079
Prepaid items	75,520	-	-	-	-	-	-	-	75,520
Total assets	<u>\$ 1,429,948</u>	<u>\$ 3,719,266</u>	<u>\$ 2,990,411</u>	<u>\$ 133,538</u>	<u>\$ 133,538</u>		<u>\$ 76,812</u>	<u>\$ 18,219</u>	<u>\$ 8,368,194</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 131,894	\$ 29,772	\$ 14,623	\$ -	\$ -	\$ -	\$ 1,099	\$ -	\$ 177,388
Contracts payable	-	4,950	-	-	-	-	9,000	-	13,950
Retainage payable	-	47,906	-	-	-	-	40,852	-	88,758
Accrued liabilities	491	586	586	111	111	-	-	-	1,774
Due to other funds	121,702	79,107	527,626	-	-	-	22,150	-	750,585
Deferred revenue	71,016	-	-	-	-	-	-	-	71,016
Total liabilities	<u>325,103</u>	<u>162,321</u>	<u>542,835</u>	<u>111</u>	<u>111</u>		<u>73,101</u>	<u>-</u>	<u>1,103,471</u>
Fund balances -									
Reserved for prepaid items	75,520	-	-	-	-	-	-	-	75,520
Unreserved, designated for street improvements	-	-	-	-	-	-	-	5,886	5,886
Unreserved, designated for capital expenditures	-	-	-	-	-	-	3,711	-	3,711
Unreserved, undesignated	1,029,325	3,556,945	2,447,576	133,427	133,427		-	12,333	7,179,606
Total fund balances	<u>1,104,845</u>	<u>3,556,945</u>	<u>2,447,576</u>	<u>133,427</u>	<u>133,427</u>		<u>3,711</u>	<u>18,219</u>	<u>7,264,723</u>
Total liabilities and fund balances	<u>\$ 1,429,948</u>	<u>\$ 3,719,266</u>	<u>\$ 2,990,411</u>	<u>\$ 133,538</u>	<u>\$ 133,538</u>		<u>\$ 76,812</u>	<u>\$ 18,219</u>	<u>\$ 8,368,194</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2008

Total fund balances for governmental funds at June 30, 2008 \$ 7,264,723

Total net assets reported for governmental activities in the statement of net
assets is different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 311,696	
Buildings and improvements, net of \$461,776 accumulated depreciation	1,338,849	
Infrastructure, net of \$8,260,645 accumulated depreciation	6,161,303	
Equipment, furniture, and fixtures net of \$1,421,200 accumulated depreciation	<u>915,461</u>	<u>8,727,309</u>

Total net assets of governmental activities at June 30, 2008 \$15,992,032

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2008

	General	1968 Sales Sales Tax Special Revenue	1984 Sales Sales Tax Special Revenue	TIF District Sales Tax Special Revenue	Sewer System Construction	Other Governmental Funds	Total
Revenues:							
Taxes	\$ 591,628	\$ 1,440,354	\$ 1,440,354	\$ 134,028	\$ -	\$ -	\$3,606,364
Licenses and permits	226,822	-	-	-	-	-	226,822
Intergovernmental	109,169	494,910	-	-	387,500	-	991,579
Fines and forfeits	426,782	-	-	-	-	-	426,782
Miscellaneous	63,785	128,441	88,533	103	507	162	281,531
Total revenues	<u>1,418,186</u>	<u>2,063,705</u>	<u>1,528,887</u>	<u>134,131</u>	<u>388,007</u>	<u>162</u>	<u>5,533,078</u>
Expenditures:							
Current -							
General government	509,317	14,728	14,718	704	-	-	539,467
Public safety:							
Police	1,328,637	-	-	-	-	-	1,328,637
Fire	-	-	156,851	-	-	-	156,851
Streets	383,730	158,081	88,958	-	-	-	630,769
Culture and tourism	4,450	-	-	-	-	-	4,450
Capital outlay	586,566	1,114,947	-	-	484,889	-	2,186,402
Total expenditures	<u>2,812,700</u>	<u>1,287,756</u>	<u>260,527</u>	<u>704</u>	<u>484,889</u>	<u>-</u>	<u>4,846,576</u>
Excess (deficiency) of revenues over expenditures	<u>(1,394,514)</u>	<u>775,949</u>	<u>1,268,360</u>	<u>133,427</u>	<u>(96,882)</u>	<u>162</u>	<u>686,502</u>
Other financing sources (uses):							
Transfers in	1,475,000	-	-	-	55,506	-	1,530,506
Transfers out	-	(593,625)	(1,175,000)	-	-	-	(1,768,625)
Total other financing sources (uses)	<u>1,475,000</u>	<u>(593,625)</u>	<u>(1,175,000)</u>	<u>-</u>	<u>55,506</u>	<u>-</u>	<u>(238,119)</u>
Net changes in fund balances	80,486	182,324	93,360	133,427	(41,376)	162	448,383
Fund balances beginning	1,024,359	3,374,621	2,354,216	-	45,087	18,057	6,816,340
Fund balances, ending	<u>\$1,104,845</u>	<u>\$ 3,556,945</u>	<u>\$2,447,576</u>	<u>\$133,427</u>	<u>\$ 3,711</u>	<u>\$18,219</u>	<u>\$7,264,723</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2008

Total net changes in fund balances at June 30, 2008 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 448,383
---	------------

The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 1,644,319	
Depreciation expense for the year ended June 30, 2008	<u>(504,781)</u>	<u>1,139,538</u>

Total changes in net assets at June 30, 2008 per Statement of Activities	<u>\$ 1,587,921</u>
--	---------------------

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Net Assets Proprietary Fund June 30, 2008

	Enterprise Fund
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,202,691
Investments	51,182
Receivables:	
Accounts	220,201
Unbilled utility receivables	66,312
Accrued interest receivable	7,772
Due from other funds	349,467
Other	3,067
Prepaid items	19,975
Total current assets	<u>2,920,667</u>
Noncurrent assets:	
Restricted assets -	
Interest-bearing deposits	30,486
Investments	133,336
Capital assets, net of accumulated depreciation	<u>7,561,234</u>
Total noncurrent assets	<u>7,725,056</u>
Total assets	<u>10,645,723</u>
LIABILITIES	
Current liabilities:	
Accounts payable	113,476
Retainage payable	23,418
Accrued liabilities	1,417
Deferred revenue	<u>45,361</u>
Total current liabilities	183,672
Noncurrent liabilities:	
Customers' deposits payable	<u>163,822</u>
Total liabilities	<u>347,494</u>
NET ASSETS	
Invested in capital assets, net of related debt	7,561,234
Unrestricted	<u>2,736,995</u>
Total net assets	<u>\$10,298,229</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenses, and Change in Fund Net Assets -
 Proprietary Fund
 For the Year Ended June 30, 2008

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 551,335
Water service charges	880,438
Sewer service charges	344,353
Garbage service charges	537,530
Penalties, permits and connection fees	59,775
Total operating revenues	<u>2,373,431</u>
Operating expenses:	
Salaries	349,049
Retirement	22,637
Meter reader expense	33,662
Disposal charges	2,295
Sewerage inspection	3,350
Gas and water purchases	669,035
Garbage collection fees	515,045
Supplies and repairs	123,778
Repairs and maintenance	24,549
Utilities and telephone	50,998
Professional fees	14,955
General insurance	49,377
Group health insurance	38,204
Office expense	12,585
Computer service	3,036
Payroll taxes	27,951
Truck expenses	14,992
Training	2,259
Uniforms	1,641
Equipment lease	11,457
Bad debts	7,195
Depreciation expense	284,518
Water and lab fees	5,405
Miscellaneous	4,121
Total operating expenses	<u>2,272,094</u>
Operating income	<u>101,337</u>

(continued)

CITY OF SCOTT, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2008

	<u>Enterprise Fund</u>
Nonoperating revenues (expenses):	
Interest income	<u>81,864</u>
 <i>Income before transfers</i>	 <u>183,201</u>
Transfers in (out):	
Transfer from 1984 Sales Tax Fund	500,000
Transfer from 1968 Sales Tax Fund	293,625
Transfer from Sewer System Construction Fund	(55,506)
Transfer to General Fund	<u>(500,000)</u>
Total transfers in (out)	<u>238,119</u>
 Change in net assets	 421,320
Net assets, beginning	<u>9,876,909</u>
Net assets, ending	<u>\$10,298,229</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2008

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 2,338,157
Payments to suppliers	(1,535,992)
Payments to employees	<u>(433,299)</u>
Net cash provided by operating activities	<u>368,866</u>
Cash flows from noncapital financing activities:	
Cash paid to other funds	(85,556)
Transfers from other funds	793,625
Transfers to other funds	<u>(555,506)</u>
Net cash provided by noncapital financing activities	<u>152,563</u>
Cash flows from capital and related financing activities:	
Proceeds from meter deposits	34,075
Refund of meter deposits	(30,505)
Acquisition of property, plant and equipment	<u>(270,210)</u>
Net cash used by capital and related financing activities	<u>(266,640)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	836,185
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(1,815,839)
Interest on investments	<u>80,737</u>
Net cash provided by investing activities	<u>(898,917)</u>
Net increase in cash and cash equivalents	(644,128)
Cash and cash equivalents, beginning of period	<u>1,245,984</u>
Cash and cash equivalents, end of period	<u>\$ 601,856</u>

(continued)

CITY OF SCOTT, LOUISIANA

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended June 30, 2008

	<u>Enterprise Fund</u>
Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ 101,337
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Depreciation	284,518
Changes in current assets and liabilities:	
Increase in accounts receivable	(27,993)
Increase in provision for uncollectible accounts	2,233
Decrease in unbilled utility receivables	(7,725)
Increase in other receivables	(3,067)
Decrease in prepaid items	(3,597)
Increase in accounts payable	20,551
Increase in accrued liabilities	820
Increase in deferred revenue	1,789
Net cash provided by operating activities	<u>\$ 368,866</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Interest-bearing deposits - unrestricted	1,870,055
Interest-bearing deposits - restricted	34,670
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(658,741)</u>
Total cash and cash equivalents, beginning of period	<u>1,245,984</u>
Cash and cash equivalents, end of period -	
Interest-bearing deposits - unrestricted	2,202,691
Interest-bearing deposits - restricted	30,486
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(1,631,321)</u>
Total cash and cash equivalents, end of period	<u>601,856</u>
Net increase	<u>\$ (644,128)</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Scott (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Scott was incorporated under the provisions of the Lawrason Act. The City operates under the Mayor-Board of Aldermen form of government.

This report includes all funds that are controlled by or dependent on the City executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the City was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, a certain governmental organization is not part of the City and is thus excluded from the accompanying financial statements. This organization is the City of Scott Volunteer Fire Department. Although the City does provide facilities and some of its financing, no control is exercised over its operations.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the City are described below:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Special Revenue Funds

1968 Sales Tax Fund -

The 1968 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

1984 Sales Tax Fund -

The 1984 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The Taxing Increment Financing (TIF) District Sales Tax Fund -

The TIF Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax levied on the businesses located in the Apollo Road Economic Development District and is legally restricted to expenditures for economic development projects in the District.

Capita Projects Fund -

Sewer System Construction Fund -

The Sewer System Construction Fund is used to account for improvements made to the City's Sewerage System using proceeds from federal and state grants and City Funds.

Proprietary Fund -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City of Scott's enterprise fund is the Utility Fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

D. Assets, Liabilities and Equity

Cash, interest-bearing deposits, and investments

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City.

Under state law, the City may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$6,810 at June 30, 2008. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. All full-time employees are allowed 48 hours of annual sick leave. All unused sick leave may be carried over, with 30 percent of the accumulated balance payable at termination of employment. At June 30, 2008, the City has no material accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Sales tax	See Note 3
Gas, water and sewer revenue	Utility operations

The City uses unrestricted resources only when restricted resources are fully depleted.

G. Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 15, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

H. Capitalization of Interest Expense

It is the policy of the City of Scott to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At June 30, 2008, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Lafayette Parish. City property tax revenues are budgeted in the year billed.

For the year ended June 30, 2008, taxes of 3.93 mills were levied on property with assessed valuations totaling \$45,376,503 and were dedicated to general corporate purposes.

Total taxes levied were \$178,330. Taxes receivable at June 30, 2008 was \$1,980, which was current.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the City of Scott beginning June 22, 1968 (2008 collections \$1,440,354; 2007 \$1,380,410) are dedicated to the following purposes:

Construction, acquiring, extending, improving and/or maintaining sewers and sewerage disposal works, waterworks, drainage facilities, streets and sidewalks, including the purchase of equipment therefor, title to which improvements shall be in the public name, or for any one or more of said purposes. The tax is also subject to funding into bonds of the City in the manner authorized in the Louisiana Revised Statutes.

Proceeds of a 1% sales and use tax levied by the City of Scott beginning April 1, 1984 (2008 collections \$1,440,354; 2007 \$1,380,410) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining public streets and bridges, sewers and sewerage disposal works, recreational facilities and drainage facilities; purchasing and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities; providing additional funds to maintain the City's auxiliary police force and volunteer fire department; maintaining the natural gas transmission and distribution system of the City; and funding into bonds for any of these purposes in accordance with the Louisiana Revised Statutes. The 1984 sales and use tax is currently dedicated to retiring the Series 1994 and Series 1997 Public Improvement Sales Tax Bonds.

Proceeds of a 1% sales and use tax levied by the City of Scott beginning December 1, 2007 on businesses located in the Apollo Road Economic Development District (2008 collections \$134,028) are dedicated for financing economic development projects in the District.

(4) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2008, the City had cash and interest-bearing deposits (book balances) totaling \$5,546,718 as follows:

Demand deposits	\$ 678,623
Money market accounts	1,580,439
Time deposits	<u>3,287,656</u>
Total	<u>\$ 5,546,718</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the City or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2008, are secured as follows:

Bank balances	<u>\$5,546,963</u>
Federal deposit insurance	\$ 441,000
Pledged securities	<u>5,105,963</u>
Total	<u>\$5,546,963</u>

As of June 30, 2008, the City's total bank balances were fully insured and collateralized with securities held in the name of the City by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

B. Investments

Investments held at June 30, 2008 consist of \$4,377,746 in the Louisiana Asset Management Pool (LAMP). In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA R.S. 33:2955 (A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's investment guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis by LAMP and the value of the City's position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

(5) Receivables

Receivables at June 30, 2008 of \$629,454 consist of the following:

	General	1968 Sales Tax	1984 Sales Tax	TIF District Sales Tax	Utility	Total
Accounts	\$ -	\$ -	\$ -	\$ -	\$220,201	\$220,201
Unbilled utility	-	-	-	-	66,312	66,312
Taxes:						
Ad valorem	1,980	-	-	-	-	1,980
Sales tax	-	115,419	115,419	21,271	-	252,109
Licenses	48,108	-	-	-	-	48,108
Insurance	13,971	-	-	-	3,067	17,038
Interest	117	1,090	14,703	24	7,772	23,706
Totals	<u>\$64,176</u>	<u>\$116,509</u>	<u>\$130,122</u>	<u>\$21,295</u>	<u>\$297,352</u>	<u>\$629,454</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Due from Other Governmental Units

Amounts due from other governmental units in the amount of \$52,685 at June 30, 2008 consisted of the following:

Governmental Activities:

General Fund -

Due from the Lafayette Convention and Visitors Commission for reimbursement of expenditures for the Begnaud House	\$ 669
---	--------

Due from the State of Louisiana Department of Transportation for grass cutting revenues earned during fiscal year ending June 30, 2008	<u>4,730</u>
--	--------------

	<u>5,399</u>
--	--------------

1968 Sales Tax Fund -

Due from the State of Louisiana Facilities Planning and Control for reimbursement of expenditures incurred for the Street Improvement Frontage Road Project	<u>27,452</u>
---	---------------

Sewer System Construction Fund

Due from the State of Louisiana Division of Administration for reimbursement of expenditures incurred for the Sewer System Improvements Project	17,850
---	--------

Due from the State of Louisiana Office of Community Development for reimbursement of expenditures incurred for the Sewer System Improvements Project	<u>1,984</u>
--	--------------

	<u>19,834</u>
--	---------------

Total governmental activities	<u>\$ 52,685</u>
-------------------------------	------------------

(7) Restricted Assets - Proprietary Fund Type

Restricted assets in the amount of \$163,822 at June 30, 2008 consisted of amounts owed to customers for utility deposits.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance 07/01/07	Additions	Deletions	Balance 06/30/08
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 311,696	\$ -	\$ -	\$ 311,696
Construction in progress	15,445	167,013	182,458	-
Other capital assets:				
Buildings	1,618,167	182,458	-	1,800,625
Infrastructure	13,474,257	947,291	-	14,421,548
Equipment, furniture and fixtures	1,811,312	530,015	4,666	2,336,661
Totals	17,230,877	1,826,777	187,124	18,870,530
Less accumulated depreciation				
Buildings	416,711	45,065	-	461,776
Infrastructure	8,001,219	259,026	-	8,260,245
Equipment, furniture and fixtures	1,225,176	200,690	4,666	1,421,200
Total accumulated depreciation	9,643,106	504,781	4,666	10,143,221
Governmental activities, capital assets, net	<u>\$7,587,771</u>	<u>\$1,321,996</u>	<u>\$182,458</u>	<u>\$8,727,309</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 50,420	\$ -	\$ -	\$ 50,420
Construction in progress - sewer system	55,810	36,048	20,430	71,428
Other capital assets:				
Gas system	995,310	-	-	995,310
Water system	4,472,252	43,768	-	4,516,020
Sewer system	6,376,144	223,115	-	6,599,259
Machinery and equipment	237,042	11,125	-	248,167
Totals	12,186,978	314,056	20,430	12,480,604
Less accumulated depreciation				
Gas system	648,534	24,544	-	673,078
Water system	1,453,284	89,949	-	1,543,233
Sewer system	2,360,430	147,537	-	2,507,967
Machinery and equipment	172,604	22,488	-	195,092
Total accumulated depreciation	4,634,852	284,518	-	4,919,370
Business-type activities, capital assets, net	<u>\$7,552,126</u>	<u>\$ 29,538</u>	<u>\$ 20,430</u>	<u>\$7,561,234</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 55,764
Police	137,867
Auxiliary police	10,579
Fire	627
Streets	299,596
Culture and recreation	348
Total depreciation expense	<u>\$ 504,781</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 30,899
Water	99,736
Sewer	153,883
Total depreciation expense	<u>284,518</u>

(9) Accounts, Salaries, and Other Payables

The accounts and other payables of \$420,181 consisted of the following at June 30, 2008:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 177,388	\$113,476	\$290,864
Contracts	13,950	-	13,950
Retainage	88,758	23,418	112,176
Accrued liabilities	1,774	1,417	3,191
Totals	<u>\$ 281,870</u>	<u>\$138,311</u>	<u>\$420,181</u>

(10) Deferred Revenue

Deferred revenue in the General Fund of \$71,016 at June 30, 2008 consisted of \$23,883 received from unsettled police narcotics cases and \$47,133 of grant revenues received for which funds had not yet been expended as of June 30, 2008. Deferred revenue of \$45,361 in the Utility Fund consisted of \$45,361 of garbage service revenues collected in the month of June 2008 for July 2008.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Employee Retirement

All employees are members of one of the following retirement systems:

Federal Social Security System

Municipal Employees' Retirement System of Louisiana

Municipal Police Employees' Retirement System of Louisiana

Pertinent information relative to each plan follows:

A) Federal Social Security System

All employees of the City of Scott are members of the Federal Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the City; 7.65% by the employee). Total covered wages for the years ended June 30, 2008, 2007 and 2006, totaled \$1,585,990, \$1,337,440, and \$1,172,353 respectively. The City's contribution during the years ended June 30, 2008, 2007, and 2006 amounted to \$121,328, \$102,314, and \$89,685 respectively.

B) Municipal Employees' Retirement System of Louisiana System

Eligible employees of the City participate in the Municipal Employees' Retirement System, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. The plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding policy – Under Plan B, members are required by state to contribute 5.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 6.75%. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System under Plan B for the years ending June 30, 2008, 2007, and 2006 were \$46,676, \$57,708, and \$53,970, respectively, equal to the required contributions for each year.

C) Municipal Police Employees' Retirement System of Louisiana (System)

Eligible employees of the City participate in the Municipal Police Employees' Retirement System, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. The plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan description – All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Room 270, Baton Rouge, Louisiana 70809-7017.

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Funding Policy - Plan members are required by state statute to contribute 7.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 13.75% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions to the System for the years ending June 2008, 2007, and 2006, were \$54,498, \$43,716, and \$45,065, respectively, equal to the required contributions for each year.

(12) Litigation and Claims

At June 30, 2008, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage.

(13) Utility Fund Contracts

- A. The City, under contract dated October 1, 1991, is required to purchase its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority. Termination of the contract requires a six-month notice. The City purchased natural gas during the year ended June 30, 2008, in the amount of \$199,477, of which \$9,482 was owed for purchases for the month of June 2008.
- B. The City, under a contract dated June 1, 1997, and expiring May 31, 2022, is required to purchase its water from the City of Lafayette. The City purchased water during the fiscal year ended June 30, 2008 in the amount of \$469,558, of which \$42,437 was owed for purchases for the month of June 2008.

(14) Segment Information for the Enterprise Fund

The City of Scott maintains one enterprise fund with three departments which provide gas, water, and sewerage services. Segment information for the year ended June 30, 2008, was as follows:

	Gas Department	Water Department	Sewer Department	Garbage Department	Total Enterprise Fund
Operating revenues	\$563,510	\$ 916,958	\$ 355,433	\$ 537,530	\$2,373,431
Operating expenses:					
Depreciation	30,899	99,736	153,883	-	284,518
Other	397,634	689,923	384,974	515,045	1,987,576
Total operating expenses	428,533	789,659	538,857	515,045	2,272,094
Operating income (loss)	\$134,977	\$ 127,299	\$ (183,424)	\$ 22,485	\$ 101,337

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2008 follows:

Hazel Myers, Mayor	\$ 50,358
Aldermen:	
Norwood Menard	11,130
Bob Boudreaux	7,951
Terry Montoucet	7,951
Mark Moreau	7,951
Bill Young	7,951
	<u>\$ 93,292</u>

(16) Risk Management

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(17) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2008:

Due to the Utility Fund from the General Fund representing short-term loans	\$ 118,282
Due to the Utility Fund from the 1984 Sales Tax Fund representing short-term loans	211,185
Due to the General Fund from the 1968 and 1984 Sales Tax funds for reimbursement for expenditures paid	316,441
Due to the 1984 Sales Tax Fund from the 1968 Sales Tax Fund for reimbursement for expenditures paid	82,527
Due to the 1984 Sales Tax Fund from the Sewer System Construction Fund for reimbursement for expenditures paid	20,000
Due to the Utility Fund from the Sewer System Construction Fund for reimbursement for expenditures paid	2,150
Total	<u>\$ 750,585</u>

CITY OF SCOTT, LOUISIANA

Notes to Basic Financial Statements (Continued)

Summary of balances due from other funds reported in fund financial statements:

Due from other funds, Balance Sheet - Governmental Funds	\$ 401,118
Due from other funds, Statement of Net Assets - Proprietary Funds	<u>349,467</u>
Total	<u>\$ 750,585</u>

B. Transfers

Transfers consisted of the following at June 30, 2008:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$1,475,000	\$ -
1968 Sales Tax Special Revenue Fund	-	593,625
1984 Sales Tax Special Revenue Fund	-	1,175,000
Non-major governmental funds:		
Sewer System Construction Capital Projects Fund	55,506	-
Proprietary Fund:		
Enterprise Fund	<u>793,625</u>	<u>555,506</u>
Total	<u>\$2,324,131</u>	<u>\$2,324,131</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			
	Budget		Variance with	2007
	Original	Final	Final Budget Positive (Negative)	Actual
Revenues:				
Taxes	\$ 551,108	\$ 590,083	\$ 1,545	\$ 550,323
Licenses and permits	237,000	209,600	17,222	253,330
Intergovernmental	67,385	110,629	(1,460)	109,716
Fines and forfeits	180,000	383,500	43,282	122,061
Miscellaneous	23,200	63,174	611	50,506
Total revenues	<u>1,058,693</u>	<u>1,356,986</u>	<u>61,200</u>	<u>1,085,936</u>
Expenditures:				
General government:	508,521	517,292	7,975	486,477
Public safety:				
Police	1,237,953	1,335,690	7,053	1,067,631
Streets	398,804	385,155	1,425	374,401
Culture and tourism	-	8,505	4,055	-
Capital outlay	224,105	586,451	(115)	161,763
Total expenditures	<u>2,369,383</u>	<u>2,833,093</u>	<u>20,393</u>	<u>2,090,272</u>
Deficiency of revenues over expenditures	<u>(1,310,690)</u>	<u>(1,476,107)</u>	<u>81,593</u>	<u>(1,004,336)</u>
Other financing sources:				
Transfers from -				
Utility Fund	500,000	500,000	-	500,000
1968 Sales Tax Fund	500,000	300,000	-	300,000
1984 Sales Tax Fund	350,000	675,000	-	375,000
Total other financing sources	<u>1,350,000</u>	<u>1,475,000</u>	<u>-</u>	<u>1,175,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	39,310	(1,107)	81,593	170,664
Fund balance, beginning	<u>1,024,359</u>	<u>1,024,359</u>	<u>-</u>	<u>853,695</u>
Fund balance, ending	<u>\$ 1,063,669</u>	<u>\$1,023,252</u>	<u>\$81,593</u>	<u>\$ 1,024,359</u>

CITY OF SCOTT, LOUISIANA
1968 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008				
	Budget			Variance with Final Budget Positive (Negative)	2007 Actual
	Original	Final	Actual		
Revenues:					
Taxes	\$1,440,000	\$1,440,000	\$1,440,354	\$ 354	\$1,380,410
Intergovernmental -state	-	494,910	494,910	-	127,454
Miscellaneous	124,000	126,727	128,441	1,714	165,885
Total revenues	<u>1,564,000</u>	<u>2,061,637</u>	<u>2,063,705</u>	<u>2,068</u>	<u>1,673,749</u>
Expenditures:					
General government	10,500	15,450	14,728	722	13,230
Streets	108,315	148,315	158,081	(9,766)	113,646
Capital outlay	<u>1,229,281</u>	<u>1,116,405</u>	<u>1,114,947</u>	<u>1,458</u>	<u>278,578</u>
Total expenditures	<u>1,348,096</u>	<u>1,280,170</u>	<u>1,287,756</u>	<u>(7,586)</u>	<u>405,454</u>
Excess of revenues over expenditures	215,904	781,467	775,949	(5,518)	1,268,295
Other financing uses:					
Transfers to other funds:	<u>(775,615)</u>	<u>(593,625)</u>	<u>(593,625)</u>	<u>-</u>	<u>(586,511)</u>
Excess (deficiency) of revenues over expenditures and other uses	(559,711)	187,842	182,324	(5,518)	681,784
Fund balances, beginning	<u>3,374,621</u>	<u>3,374,621</u>	<u>3,374,621</u>	<u>-</u>	<u>2,692,837</u>
Fund balances, ending	<u>\$2,814,910</u>	<u>\$3,562,463</u>	<u>\$3,556,945</u>	<u>\$ (5,518)</u>	<u>\$3,374,621</u>

CITY OF SCOTT, LOUISIANA
1984 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			
	Budget		Variance with Final Budget Positive (Negative)	2007 Actual
	Original	Final	Actual	
Revenues:				
Taxes	\$1,440,000	\$1,440,000	\$ 1,440,354	\$ 354
Miscellaneous	80,000	73,912	88,533	14,621
Total revenues	<u>1,520,000</u>	<u>1,513,912</u>	<u>1,528,887</u>	<u>14,975</u>
				<u>1,491,903</u>
Expenditures:				
General government	10,500	15,450	14,718	732
Public safety:				
Auxiliary police	-	-	-	-
Fire	160,438	158,004	156,851	1,153
Streets	81,902	89,315	88,958	357
Capital outlay	500,000	-	-	-
Total expenditures	<u>752,840</u>	<u>262,769</u>	<u>260,527</u>	<u>2,242</u>
				<u>258,588</u>
Excess of revenues over expenditures	767,160	1,251,143	1,268,360	17,217
				<u>1,233,315</u>
Other financing uses:				
Transfers to other funds:	<u>(750,000)</u>	<u>(1,175,000)</u>	<u>(1,175,000)</u>	<u>-</u>
				<u>(875,000)</u>
Excess of revenues over expenditures and other uses	17,160	76,143	93,360	17,217
				<u>358,315</u>
Fund balances, beginning	<u>2,354,216</u>	<u>2,354,216</u>	<u>2,354,216</u>	<u>-</u>
				<u>1,995,901</u>
Fund balances, ending	<u>\$2,371,376</u>	<u>\$2,430,359</u>	<u>\$ 2,447,576</u>	<u>\$17,217</u>
				<u>\$2,354,216</u>

CITY OF SCOTT, LOUISIANA
TIF District Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			
	Budget		Variance with Final Budget	2007
	Original	Final	Positive (Negative)	Actual
Revenues:				
Taxes	\$ -	\$111,500	\$134,028	\$ -
Miscellaneous	-	250	103	-
Total revenues	-	111,750	134,131	-
Expenditures:				
General government -				
Collection fees	-	400	613	-
Supplies	-	91	91	-
Total expenditures	-	491	704	-
Excess of revenues over expenditures	-	111,259	133,427	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$111,259	\$133,427	\$ -

OTHER SUPPLEMENTARY INFORMATION

CITY OF SCOTT, LOUISIANA

Statement of Net Assets
June 30, 2008
With Comparative Totals for June 30, 2007

	2008			2007
	Governmental Activities	Business-Type Activities	Total	Totals
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 3,313,541	\$ 2,202,691	\$ 5,516,232	\$ 5,188,571
Investments	4,193,228	51,182	4,244,410	3,632,562
Receivables, net	332,102	297,352	629,454	520,610
Internal balances	(349,467)	349,467	-	-
Due from other governmental units	52,685	-	52,685	32,408
Prepaid items	75,520	19,975	95,495	61,697
Total current assets	<u>7,617,609</u>	<u>2,920,667</u>	<u>10,538,276</u>	<u>9,435,848</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	30,486	30,486	34,670
Investments	-	133,336	133,336	125,582
Capital assets, net	8,727,309	7,561,234	16,288,543	15,139,897
Total noncurrent assets	<u>8,727,309</u>	<u>7,725,056</u>	<u>16,452,365</u>	<u>15,300,149</u>
Total assets	<u>16,344,918</u>	<u>10,645,723</u>	<u>26,990,641</u>	<u>24,735,997</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	281,870	138,311	420,181	223,138
Deferred revenue	71,016	45,361	116,377	71,587
Total current liabilities	<u>352,886</u>	<u>183,672</u>	<u>536,558</u>	<u>294,725</u>
Noncurrent liabilities:				
Customers deposits payable	-	163,822	163,822	160,252
Total liabilities	<u>352,886</u>	<u>347,494</u>	<u>700,380</u>	<u>454,977</u>
NET ASSETS				
Invested in capital assets	8,727,309	7,561,234	16,288,543	15,139,897
Unrestricted	7,264,723	2,736,995	10,001,718	9,141,123
Total net assets	<u>\$15,992,032</u>	<u>\$10,298,229</u>	<u>\$26,290,261</u>	<u>\$24,281,020</u>

CITY OF SCOTT, LOUISIANA

Balance Sheet
General and Special Revenue Funds
June 30, 2008
With Comparative Totals as of June 30, 2007

	General		1968 Sales Tax		1984 Sales Tax		TIF District Sales Tax	
	2008	2007	2008	2007	2008	2007	2008	2007
ASSETS								
Cash	\$ 174,888	\$ 246,446	\$ 9,416	\$ 5,017	\$ 14,434	\$ 10,521	\$ -	\$ -
Interest-bearing deposits	323,762	573,324	936,278	1,016,142	1,667,323	1,401,772	112,243	-
Investments	469,762	-	2,629,611	2,528,787	1,093,855	1,051,914	-	-
Receivables:								
Taxes	1,980	1,395	115,419	120,730	115,419	120,730	21,271	-
Accrued interest	117	2,101	1,090	312	14,703	15,669	24	-
Due from other funds	316,441	404,537	-	-	84,677	84,677	-	-
Due from other governmental units	5,399	32,408	27,452	-	-	-	-	-
Other	62,079	-	-	-	-	-	-	-
Prepaid items	75,520	45,319	-	-	-	-	-	-
Total assets	\$ 1,429,948	\$ 1,305,530	\$ 3,719,266	\$ 3,670,988	\$ 2,990,411	\$ 2,685,283	\$ 133,538	\$ -
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 131,894	\$ 100,018	\$ 29,772	\$ 21,569	\$ 14,623	\$ 6,071	\$ -	\$ -
Contracts payable	-	-	4,950	-	-	-	-	-
Retainage payable	-	-	47,906	-	-	-	-	-
Accrued liabilities	491	412	586	421	586	1,124	111	-
Due to other funds	121,702	152,726	79,107	274,377	527,626	323,872	-	-
Deferred revenue	71,016	28,015	-	-	-	-	-	-
Total liabilities	325,103	281,171	162,321	296,367	542,835	331,067	111	-
Fund balances -								
Reserved for prepaid items	75,520	45,319	-	-	-	-	-	-
Unreserved, undesignated	1,029,325	979,040	3,556,945	3,374,621	2,447,576	2,354,216	133,427	-
Total fund balances	1,104,845	1,024,359	3,556,945	3,374,621	2,447,576	2,354,216	133,427	-
Total liabilities and fund balances	\$ 1,429,948	\$ 1,305,530	\$ 3,719,266	\$ 3,670,988	\$ 2,990,411	\$ 2,685,283	\$ 133,538	\$ -

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2007			Variance with Final Budget	
	Budget			Positive	2007
	Original	Final	Actual	(Negative)	Actual
Taxes:					
Ad valorem	\$151,000	\$176,850	\$178,191	\$ 1,341	\$151,828
Franchise -					
Electric	350,000	356,700	356,904	204	348,380
Natural gas	13,108	14,845	14,845	-	13,102
Cable TV	37,000	41,688	41,688	-	37,013
Total taxes	551,108	590,083	591,628	1,545	550,323
Licenses and permits:					
Liquor and beer licenses	7,500	7,000	6,270	(730)	8,400
Occupational licenses	22,000	23,800	24,320	520	22,170
Insurance occupational licenses	124,000	124,000	136,969	12,969	134,411
Building permits	50,000	33,000	36,068	3,068	52,534
Electrical permits	18,000	10,000	10,800	800	18,750
Culvert permits	2,300	2,000	2,700	700	2,545
Moving permits	5,700	4,800	5,300	500	6,085
Work permits	-	1,200	100	(1,100)	-
Air conditioner inspection	7,500	3,800	4,295	495	8,435
Total licenses and permits	237,000	209,600	226,822	17,222	253,330
Intergovernmental:					
Federal grants -					
Federal Emergency Mgmt Assistance	-	-	-	-	2,946
State of Louisiana -					
Homeland Security Grant	-	-	-	-	15,023
Building code grant	-	15,805	15,805	-	-
Department of Revenue and Taxation:					
Beer taxes	15,673	15,700	16,045	345	15,673
Tobacco taxes	-	12,560	12,339	(221)	-
Department of Transportation:					
Grass cutting	8,712	8,713	9,460	747	8,713
Office of Rural Development:					
Law Enforcement	-	46,601	46,601	-	7,110
Mineral Board	25,000	-	-	-	51,251
Local -					
Lafayette Tourist Grant - Begnaud House	3,000	11,250	8,919	(2,331)	9,000
Lafayette Economic Development Authority	15,000	-	-	-	-
Total intergovernmental	67,385	110,629	109,169	(1,460)	109,716

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues (Continued)
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008				
	Budget			Variance with Final Budget Positive (Negative)	2007 Actual
	Original	Final	Actual		
Fines and forfeits:					
Fines and court costs - regular	60,000	82,000	91,605	9,605	72,563
Fines and court costs - LACE	120,000	300,000	333,467	33,467	43,838
Clerk of Court	-	1,500	1,710	210	5,660
Total fines and forfeits	<u>180,000</u>	<u>383,500</u>	<u>426,782</u>	<u>43,282</u>	<u>122,061</u>
Miscellaneous:					
Interest	21,700	22,603	21,641	(962)	26,957
Sale of assets	-	50	50	-	1,500
Sale of assets - police assets	-	1,200	1,200	-	4,545
Police grant - private sources	-	-	-	-	3,000
Donations - Centennial	-	24,121	24,121	-	5,885
Other police revenues	-	15,200	16,773	1,573	6,582
Other sources	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,037</u>
Total miscellaneous	<u>23,200</u>	<u>63,174</u>	<u>63,785</u>	<u>611</u>	<u>50,506</u>
Total revenues	<u>\$1,058,693</u>	<u>\$1,356,986</u>	<u>\$1,418,186</u>	<u>\$ 61,200</u>	<u>\$1,085,936</u>

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			Variance with Final Budget	
	Budget			Positive	2007
	Original	Final	Actual	(Negative)	Actual
General government:					
Administration:					
Mayor and council salaries	\$92,659	\$93,292	\$93,292	\$ -	\$86,264
Other salaries	82,366	82,150	81,799	351	71,957
Payroll taxes	5,811	13,582	13,992	(410)	11,553
Retirement	5,380	8,968	8,120	848	6,474
Utilities	11,000	11,000	9,817	1,183	8,960
Telephone	11,000	12,700	12,031	669	10,941
Advertising and publications	18,000	26,000	26,429	(429)	20,269
Repairs and maintenance	13,500	17,000	15,916	1,084	13,754
Dues and conventions	5,000	3,500	3,149	351	4,414
Legal fees	33,000	64,000	64,025	(25)	47,826
Accounting and auditing	16,500	16,500	16,165	335	17,365
Computer service	200	1,500	1,356	144	170
Office car expense	2,100	2,100	2,248	(148)	2,731
General insurance	22,200	35,000	34,654	346	34,432
Group insurance	14,300	16,056	17,430	(1,374)	14,156
Office supplies	30,000	23,381	23,512	(131)	33,862
Alarm system	300	300	300	-	-
Uniforms	3,700	3,800	3,774	26	3,398
Disposal charges	1,500	2,000	1,918	82	1,586
Tower charges	1,200	1,280	1,257	23	1,182
Public relations	500	-	168	(168)	4,309
Web page	500	500	317	183	370
Bank service charges	50	500	631	(131)	-
Drug testing	1,500	1,500	1,426	74	1,200
Scott business appreciation	3,000	3,000	3,087	(87)	1,947
Council on Aging	5,600	5,600	5,600	-	5,600
Culture and twinning	3,000	2,000	252	1,748	5,119
Election expenditures	1,500	-	-	-	-
Prayer Day	900	390	390	-	331
Mardi Gras parade	1,500	1,500	1,500	-	-
Miscellaneous	1,000	741	352	389	4,296
	<u>388,766</u>	<u>449,840</u>	<u>444,907</u>	<u>4,933</u>	<u>414,466</u>
Code Department:					
Salaries	33,975	35,000	34,936	64	31,458
Payroll taxes and retirement	4,480	5,134	4,840	294	5,070
Group insurance	4,000	5,059	5,492	(433)	373
Building permits	51,000	5,000	4,430	570	13,235
Electrical and air conditioner permits	18,000	10,000	7,925	2,075	17,230
A/C inspection	7,700	3,800	3,545	255	3,555
Demolition	-	3,000	2,658	342	-
Training	600	459	584	(125)	1,090
	<u>119,755</u>	<u>67,452</u>	<u>64,410</u>	<u>3,042</u>	<u>72,011</u>
Total general government	<u>508,521</u>	<u>517,292</u>	<u>509,317</u>	<u>7,975</u>	<u>486,477</u>

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			Variance with Final Budget	2007
	Budget		Actual	Positive	Actual
	Original	Final		(Negative)	
Public safety:					
Police -					
Salaries	679,320	631,377	629,548	1,829	529,668
Salaries - Chief	47,641	47,707	47,707	-	44,112
Clerk of Court salaries	-	2,000	2,180	(180)	5,420
LACE salaries	-	45,000	44,852	148	8,570
Payroll taxes	53,665	58,461	57,832	629	46,007
Retirement	45,791	55,710	54,117	1,593	43,716
Auto expense	100,000	100,000	97,270	2,730	73,629
Uniforms and supplies	8,200	14,000	13,243	757	8,360
Uniforms - police office personnel	3,000	3,000	2,374	626	1,357
Supplies	2,000	3,963	3,704	259	4,632
Training, lodging and travel	10,000	9,292	8,713	579	9,216
Dues and subscriptions	600	450	910	(460)	390
Law enforcement and crime lab fees	1,000	450	-	450	643
Drug testing	3,000	2,571	2,981	(410)	1,804
General insurance	89,878	89,093	89,075	18	96,234
Group insurance	71,631	77,631	77,760	(129)	65,742
Claims expenditures	-	60,000	60,000	-	-
Advertising	1,000	788	788	-	1,146
Miscellaneous	1,500	3,395	3,312	83	4,660
Auto repairs and maintenance	25,000	33,000	33,431	(431)	31,824
Garage repairs and maintenance	31,108	30,907	30,875	32	29,611
Tower charges	6,720	7,200	7,140	60	4,820
Janitorial	4,200	4,200	4,200	-	3,600
Firearms and ammunition	2,500	2,500	2,490	10	1,066
Telephone	16,000	16,000	16,700	(700)	14,443
Computer services	10,000	10,000	11,238	(1,238)	15,645
Office equipment repairs and maintenance	5,000	5,000	4,946	54	5,873
Utilities	7,000	8,900	8,787	113	6,141
Office supplies	8,000	10,323	10,636	(313)	7,725
Civil service -					
Contract services	1,500	1,500	1,508	(8)	1,500
Office supplies/advertising	2,700	1,272	320	952	77
Total public safety	1,237,953	1,335,690	1,328,637	7,053	1,067,631

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			Variance with	
	Budget			Final Budget	2007
	Original	Final	Actual	Positive (Negative)	Actual
Streets:					
Salaries	201,478	171,762	171,391	371	165,807
Retirement	9,200	12,800	11,343	1,457	16,210
Payroll taxes	10,425	11,217	13,609	(2,392)	13,020
Street lighting	70,000	70,040	66,829	3,211	62,334
General insurance	58,400	58,400	58,121	279	57,293
Group insurance	24,166	24,000	26,054	(2,054)	23,536
Uniforms	1,375	1,593	1,593	-	1,025
Install/remove Christmas decorations	2,000	2,563	2,563	-	3,900
Lawn maintenance	21,260	23,980	23,980	-	21,646
Contract labor	-	8,700	8,039	661	8,553
Miscellaneous	500	100	208	(108)	1,077
Total streets	398,804	385,155	383,730	1,425	374,401
Culture and recreation:					
Begnaud House -					
Salaries	-	3,450	3,447	3	-
Payroll taxes	-	270	264	6	-
Advertising and marketing	-	1,795	-	1,795	-
Alarm	-	60	-	60	-
Telephone/cable/TV/internet	-	200	-	200	-
Disposal	-	35	-	35	-
Conferences	-	1,795	-	1,795	-
Miscellaneous	-	900	739	161	-
Total culture and recreation	-	8,505	4,450	4,055	-
Central Garage:					
Salaries	42,798	42,858	42,858	-	39,629
Payroll taxes	3,200	3,054	2,893	161	3,354
Retirement	3,770	3,270	3,400	(130)	2,952
Supplies and parts	19,475	19,400	18,538	862	20,674
Office expenditures	300	-	-	-	256
Tools	2,000	1,100	1,448	(348)	99
Truck expenditures	3,350	6,660	6,666	(6)	4,248
Repairs and maintenance	600	100	186	(86)	485
General insurance	6,600	4,167	3,734	433	6,412
Group insurance	3,655	4,104	4,455	(351)	3,621
Uniforms	275	242	242	-	275
Training	500	-	-	-	-
Disposal charge	1,505	1,950	1,880	70	1,563
Less: allocated to departments	(88,028)	(86,905)	(86,300)	(605)	(83,568)
Total central garage	-	-	-	-	-

(continued)

CITY OF SCOTT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			Variance with Final Budget	2007
	Budget			Positive	Actual
	Original	Final	Actual	(Negative)	
Capital outlay:					
General government -					
Equipment	-	1,900	1,900	-	16,526
Office equipment - Code Dept.	-	1,889	1,889	-	-
City hall improvements	7,000	7,000	7,000	-	14,206
Software for code department	10,000	13,332	13,332	-	-
Web page	10,000	9,500	9,500	-	-
Public safety -					
Police:					
Automobiles	96,000	96,000	100,450	(4,450)	71,270
Equipment	23,350	58,350	56,724	1,626	31,816
Lace automobiles	-	80,000	79,878	122	-
Lace equipment	-	37,128	35,554	1,574	-
Bullet proof vests	2,400	2,400	2,314	86	-
Law enforcement grant	-	46,601	47,387	(786)	-
Equipment - Reserve Fund	-	15,200	14,810	390	-
Radar trailer	-	-	-	-	12,500
Culture and tourism -					
Begnaud House renovation	25,355	167,151	167,013	138	15,445
Centennial	50,000	50,000	48,815	1,185	-
Total capital outlay	224,105	586,451	586,566	(115)	161,763
Total expenditures	\$2,369,383	\$2,833,093	\$2,812,700	\$ 20,393	\$2,090,272

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1968 Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			Variance with Final Budget	2007
	Budget			Positive (Negative)	Actual
	Original	Final	Actual		
Revenues:					
Taxes	\$1,440,000	\$1,440,000	\$1,440,354	\$ 354	\$1,380,410
Intergovernmental - state grant	555,000	494,910	494,910	-	127,454
Miscellaneous - interest	124,000	126,727	128,441	1,714	165,885
Total revenues	2,119,000	2,061,637	2,063,705	2,068	1,673,749
Expenditures:					
General government -					
Collection fees	4,500	6,450	6,193	257	5,300
Professional fees	6,000	9,000	8,535	465	7,930
Total general government	10,500	15,450	14,728	722	13,230
Streets -					
Supplies and repairs	30,000	56,000	56,606	(606)	35,237
Herbicide program	28,315	37,315	37,753	(438)	29,274
Engineering fees - annexations, etc.	50,000	55,000	63,722	(8,722)	49,135
Total streets	108,315	148,315	158,081	(9,766)	113,646
Capital outlay -					
Streets:					
Blacktop - various streets	380,381	65,141	65,141	-	19,719
Land/street frontage	611,000	800,976	801,010	(34)	130,600
Dump truck, grabber truck, and winch	168,000	154,974	153,840	1,134	-
Land use	-	8,380	8,380	-	-
Renaud bridge replacement	45,000	54,689	54,689	-	-
Speed humps	4,900	4,900	4,905	(5)	-
SATS contract	-	-	-	-	20,000
Equipment	-	5,800	5,437	363	2,986
Drainage - Judice Oaks	20,000	21,545	21,545	-	-
Tractor and attachments	-	-	-	-	75,872
Christmas decorations	-	-	-	-	17,054
Barricades	-	-	-	-	12,347
Total capital outlay	1,229,281	1,116,405	1,114,947	1,458	278,578
Total expenditures	1,348,096	1,280,170	1,287,756	(7,586)	405,454
Excess of revenues over expenditures	770,904	781,467	775,949	(5,518)	1,268,295

(continued)

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1968 Sales Tax Fund

Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			
	Budget		Variance with Final Budget Positive (Negative)	2007 Actual
	Original	Final	Actual	
Other financing uses:				
Transfers to -				
<i>Utility Fund</i>	(275,615)	(293,625)	(293,625)	(253,701)
Sewer Construction Fund	-	-	-	(32,810)
General Fund	(500,000)	(300,000)	(300,000)	(300,000)
Total other financing uses	(775,615)	(593,625)	(593,625)	(586,511)
Excess (deficiency) of revenues over expenditures and other uses	(4,711)	187,842	182,324	681,784
Fund balance, beginning	3,374,621	3,374,621	3,374,621	2,692,837
Fund balance, ending	<u>\$3,369,910</u>	<u>\$3,562,463</u>	<u>\$3,556,945</u>	<u>\$3,374,621</u>

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1984 Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			Variance with Final Budget	2007
	Budget			Positive	Actual
	Original	Final	Actual	(Negative)	
Revenues:					
Taxes	\$1,440,000	\$1,440,000	\$1,440,354	\$ 354	\$1,380,410
Miscellaneous -					
Sewer assessment	-	-	-	-	3,500
Interest	80,000	73,912	88,533	14,621	107,993
Total revenues	1,520,000	1,513,912	1,528,887	14,975	1,491,903
Expenditures:					
General government -					
Sales tax collection fee	4,500	6,450	6,193	257	5,300
Professional fees	6,000	9,000	8,525	475	7,930
Total general government	10,500	15,450	14,718	732	13,230
Public safety -					
Auxiliary police:					
Ammunition	-	-	-	-	1,692
Uniforms and equipment	-	-	-	-	5,761
Tower fees	-	-	-	-	960
Drug testing	-	-	-	-	100
Total auxiliary police	-	-	-	-	8,513
Fire:					
Contract	75,000	75,000	75,000	-	75,000
Telephone and supplies	2,500	3,110	2,978	132	2,778
Uniforms	1,680	879	1,513	(634)	1,365
Professional fees	8,400	9,400	9,111	289	7,610
Salaries and benefits	63,761	60,600	59,748	852	55,652
Payroll taxes	6,547	4,915	4,609	306	4,308
Insurance	2,550	4,100	3,892	208	2,587
Total fire	160,438	158,004	156,851	1,153	149,300
Total public safety	160,438	158,004	156,851	1,153	157,813

(continued)

CITY OF SCOTT, LOUISIANA
Special Revenue Fund
1984 Sales Tax Fund

Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008			Variance with Final Budget Positive (Negative)	2007 Actual
	Budget				
	Original	Final	Actual		
Streets -					
Central garage	31,108	30,907	30,875	32	30,070
Vehicle and equipment repairs and maintenance	36,000	43,595	43,270	325	35,946
Equipment lease	14,794	14,813	14,813	-	14,794
Total streets	81,902	89,315	88,958	357	80,810
Capital outlay -					
Equipment - auxiliary police	-	-	-	-	6,735
Street improvements	500,000	-	-	-	-
Total capital outlay	500,000	-	-	-	6,735
 Total expenditures	752,840	262,769	260,527	2,242	258,588
 Excess of revenues over expenditures	767,160	1,251,143	1,268,360	17,217	1,233,315
Other financing uses -					
Transfers to:					
Utility Fund	(400,000)	(500,000)	(500,000)	-	(500,000)
General Fund	(350,000)	(675,000)	(675,000)	-	(375,000)
Total other financing uses	(750,000)	(1,175,000)	(1,175,000)	-	(875,000)
 Excess of revenues over expenditures and other uses	17,160	76,143	93,360	17,217	358,315
Fund balance, beginning	2,354,216	2,354,216	2,354,216	-	1,995,901
Fund balance, ending	\$2,371,376	\$2,430,359	\$2,447,576	\$ 17,217	\$2,354,216

CITY OF SCOTT, LOUISIANA
Nonmajor Capital Projects Fund
Sewer System Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008				
	Budget			Variance -	2007
	Original	Final	Actual	Favorable (Unfavorable)	Actual
Revenues:					
LCDBG federal grant	\$ 348,750	\$ 348,750	\$ 348,750	\$ -	\$ -
LGAP state grant	38,750	38,750	38,750	-	-
Miscellaneous - interest	2,000	500	507	7	10,582
Total revenues	<u>389,500</u>	<u>388,000</u>	<u>388,007</u>	<u>7</u>	<u>10,582</u>
Expenditures:					
Capital outlay -					
Sewer treatment plant repairs	-	1,653	2,752	(1,099)	177,945
Sewer LCDBG rehabilitation project	469,614	481,899	482,137	(238)	-
Sewer rehab	-	-	-	-	30,578
Total expenditures:	<u>469,614</u>	<u>483,552</u>	<u>484,889</u>	<u>(1,337)</u>	<u>208,523</u>
Deficiency of revenues over expenditures	<u>(80,114)</u>	<u>(95,552)</u>	<u>(96,882)</u>	<u>(1,330)</u>	<u>(197,941)</u>
Other financing sources:					
Transfers from Utility Fund	-	55,506	55,506	-	163,355
Transfer from 1968 Sales Tax Fund	<u>65,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,810</u>
Total other financing sources	<u>65,500</u>	<u>55,506</u>	<u>55,506</u>	<u>-</u>	<u>196,165</u>
Deficiency of revenues and other sources over expenditures	<u>(14,614)</u>	<u>(40,046)</u>	<u>(41,376)</u>	<u>(1,330)</u>	<u>(1,776)</u>
Fund balance, beginning	<u>45,087</u>	<u>45,087</u>	<u>45,087</u>	<u>-</u>	<u>46,863</u>
Fund balance, ending	<u>\$ 30,473</u>	<u>\$ 5,041</u>	<u>\$ 3,711</u>	<u>\$ (1,330)</u>	<u>\$ 45,087</u>

CITY OF SCOTT, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2008
With Comparative Totals for June 30, 2007

	Sales Tax Bonds Fund	Street Improvement and Construction Fund	Totals	
			2008	2007
ASSETS				
Interest-bearing deposits, at cost	<u>\$12,333</u>	<u>\$ 5,886</u>	<u>\$ 18,219</u>	<u>\$18,057</u>
FUND BALANCES				
Fund balances:				
Reserved for street improvements	-	5,886	5,886	5,847
Unreserved, undesignated	<u>12,333</u>	<u>-</u>	<u>12,333</u>	<u>12,210</u>
Total fund balances	<u>\$12,333</u>	<u>\$ 5,886</u>	<u>\$ 18,219</u>	<u>\$18,057</u>

CITY OF SCOTT, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2008

With Comparative Totals for June 30, 2007

	Sales Tax Bonds Fund	Street Improvement and Construction Fund	Totals	
			2008	2007
Revenues:				
Miscellaneous - interest	\$ 123	\$ 39	\$ 162	\$ 862
Expenditures:	-	-	-	-
Excess of revenues over expenditures	123	39	162	862
Fund balance, beginning	<u>12,210</u>	<u>5,847</u>	<u>18,057</u>	<u>17,195</u>
Fund balance, ending	<u>\$ 12,333</u>	<u>\$ 5,886</u>	<u>\$ 18,219</u>	<u>\$ 18,057</u>

NONMAJOR DEBT SERVICE FUND

Sales Tax Bonds Fund -

To accumulate monies for payment of \$770,000 of sales tax bonds, Series 1994, which are due in annual installments, plus interest, through maturity in 2005 and \$1,100,000 of public improvement sales tax refunding bonds, Series 1997 which are due in annual installments, plus interest, through maturity in 2010. Debt service is financed from the collection of the City's 1984 1% sales tax. These bonds were fully paid during the year ending June 30, 2006.

CITY OF SCOTT, LOUISIANA
Nonmajor Debt Service Fund
Sales Tax Bonds Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008				
	Budget			Variance-	2007
	Original	Final	Actual	Favorable (Unfavorable)	Actual
Revenues:					
Miscellaneous - interest	\$ 450	\$ 150	\$ 123	\$ (27)	\$ 582
Expenditures:	-	-	-	-	-
Excess of revenues over expenditures	450	150	123	(27)	582
Fund balance, beginning	<u>12,210</u>	<u>12,210</u>	<u>12,210</u>	-	<u>11,628</u>
Fund balance, ending	<u>\$12,660</u>	<u>\$12,360</u>	<u>\$12,333</u>	<u>\$ (27)</u>	<u>\$12,210</u>

NONMAJOR CAPITAL PROJECTS FUND

Street Improvement and Construction Fund -

To account for construction and improvements to be made to the City's streets using proceeds from the collection of the City's 1968 sales and use tax.

CITY OF SCOTT, LOUISIANA
Nonmajor Capital Projects Fund
Street Improvement and Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2008
With Comparative Actual Amounts for the Year Ended June 30, 2007

	2008				
	Budget			Variance -	2007
	Original	Final	Actual	Favorable (Unfavorable)	Actual
Revenues:					
Miscellaneous - interest	\$ 150	\$ 510	\$ 39	\$ (471)	\$ 280
Expenditures:					
Capital outlay	-	-	-	-	-
Excess of revenues over expenditures	150	510	39	(471)	280
Fund balance, beginning	5,847	5,847	5,847	-	5,567
Fund balance, ending	5,997	6,357	5,886	(471)	5,847

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2008 and 2007

Records maintained by the City indicated the following number of customers were being serviced during the month of June, 2008 and 2007:

<u>Department</u>	<u>2008</u>	<u>2007</u>
Gas (metered)	596	599
Water (metered)	2,955	2,912
Sewerage	1,822	1,821
Garbage	2,711	-

CITY OF SCOTT, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
June 30, 2008

Description of Coverage	Coverage Amounts
Workmen's compensation - Employer's liability	Statutory \$100,000
Surety bonds - On public employees	250,000
Comprehensive general liability, bodily injury and property damage	500,000
Vehicle physical damage	13 1,305,212
Comprehensive auto liability, bodily injury and property damage	500,000
Special equipment floater	467,500
Fire and lighting, extended coverage, vandalism malicious mischief - Maintenance building on Lions Club Road Sewer plant on Miller Road Police department on Lions Club Road City Hall on Lions Club Road	2,074,174
Law enforcement officers comprehensive liability, personal injury and property damage, \$2,500 deductible	500,000
Public officials' errors and omissions, \$2,500 deductible	500,000
Flood Insurance Buildings and contents	505,300
Boiler and machinery Property damage, \$1,000 deductible	1,687,530

CITY OF SCOTT, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds
June 30, 2008

	Financial Institution	Maturity Date	Term	Interest Rate	Amount
Major governmental funds:					
General Fund -					
Certificate of deposit	H	07/29/08	548 days	3.12%	\$ 110,031
Certificate of deposit	E	10/30/09	555 days	3.50%	18,000
Money market investment account	H	N/A	N/A	Variable	1,093
Money market investment account	H	N/A	N/A	Variable	23,943
Money market investment account	H	N/A	N/A	Variable	170,695
Total General Fund					<u>323,762</u>
1968 Sales Tax Fund -					
Certificate of deposit	H	03/06/09	273 days	2.77%	522,983
Money market investment account	H	N/A	N/A	Variable	<u>413,295</u>
Total 1984 Sales Tax Fund					<u>936,278</u>
1984 Sales Tax Fund -					
Money market investment account	H	N/A	N/A	Variable	662,002
Certificate of deposit	H	03/06/09	273 days	2.77%	522,983
Certificate of deposit	I	10/21/08	365 days	4.00%	<u>482,338</u>
Total 1984 Sales Tax Fund					<u>1,667,323</u>
TIF District Sales Tax Fund -					
Money market investment account	H	N/A	N/A	Variable	<u>112,243</u>
Sewer System Construction Fund:					
Money market investment account	H	N/A	N/A	Variable	<u>56,978</u>
<u>Total major governmental funds</u>					<u>3,096,584</u>
Nonmajor governmental funds:					
Debt Service Fund -					
Sales Tax Bonds Fund:					
Money market investment account	H	N/A	N/A	Variable	12,333
Capital Projects Fund -					
Street Improvements and Construction Fund:					
Money market investment account	H	N/A	N/A	Variable	<u>5,886</u>
Total nonmajor governmental funds					<u>18,219</u>

(continued)

CITY OF SCOTT, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
June 30, 2008

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Amount</u>
Utility Fund:					
Unrestricted -					
Certificate of deposit	C	07/14/08	91 days	3.94%	666,951
Certificate of deposit	H	03/06/09	273 days	2.77%	941,370
Certificate of deposit	E	12/31/09	734 days	4.65%	23,000
Money market investment account	H	N/A	N/A	Variable	91,485
Restricted -					
Money market investment account	H	N/A	N/A	Variable	30,486
Total Utility Fund					<u>1,753,292</u>
Total interest-bearing deposits					<u>4,868,095</u>
Investments:					
General Fund -					
Lamp		N/A	N/A	Variable	469,762
1968 Sales Tax Fund -					
Lamp		N/A	N/A	Variable	2,629,611
1984 Sales Tax Fund -					
Lamp		N/A	N/A	Variable	1,093,855
Utility Fund -					
Unrestricted - Lamp		N/A	N/A	Variable	51,182
Restricted - Customer deposits - Lamp		N/A	N/A	Variable	<u>133,336</u>
Total investments					<u>4,377,746</u>
Total interest-bearing deposits and investments					<u>\$ 9,245,841</u>

Financial Institution:

E Edward Jones

H Home Bank

I Iberia Bank

CITY OF SCOTT, LOUISIANA

Comparative Statement of Net Assets
Proprietary Fund
June 30, 2008 and 2007

	Enterprise Fund	
	2008	2007
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 2,202,691	\$ 1,870,055
Investments	51,182	51,861
Receivables:		
Accounts	220,201	194,441
Unbilled utility receivables	66,312	58,587
Accrued interest receivable	7,772	6,645
Due from other funds	349,467	263,911
Other	3,067	-
Prepaid items	19,975	16,378
Total current assets	<u>2,920,667</u>	<u>2,461,878</u>
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	30,486	34,670
Investments	133,336	125,582
Capital assets, net of accumulated depreciation	<u>7,561,234</u>	<u>7,552,126</u>
Total noncurrent assets	<u>7,725,056</u>	<u>7,712,378</u>
Total assets	<u>10,645,723</u>	<u>10,174,256</u>
LIABILITIES		
Current liabilities:		
Accounts payable	113,476	92,925
Retainage payable	23,418	-
Accrued liabilities	1,417	597
Deferred revenue	<u>45,361</u>	<u>43,572</u>
Total current liabilities	183,672	137,094
Noncurrent liabilities:		
Customers' deposits payable	<u>163,822</u>	<u>160,252</u>
Total liabilities	<u>347,494</u>	<u>297,346</u>
NET ASSETS		
Invested in capital assets, net of related debt	7,561,234	7,552,126
Unrestricted	<u>2,736,995</u>	<u>2,324,783</u>
Total net assets	<u>\$ 10,298,229</u>	<u>\$ 9,876,910</u>

CITY OF SCOTT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund

For the Years Ended June 30, 2008 and 2007

	Enterprise Fund	
	2008	2007
Operating revenues:		
Charges for services -		
Gas charges	\$ 551,335	\$ 516,416
Water service charges	880,438	817,766
Sewer service charges	344,353	357,072
Garbage service charges	537,530	-
Penalties, permits and connection fees	59,775	65,500
Total operating revenues	<u>2,373,431</u>	<u>1,756,754</u>
Operating expenses:		
Salaries	349,049	305,015
Retirement	22,637	27,767
Meter reader expense	33,662	30,899
Disposal charges	2,295	2,090
Sewerage inspection	3,350	11,150
Gas and water purchases	669,035	576,651
Garbage collection fees	515,045	-
Supplies and repairs	123,778	133,099
Repairs and maintenance	24,549	25,191
Utilities and telephone	50,998	49,222
Professional fees	14,955	16,722
General insurance	49,377	52,161
Group health insurance	38,204	29,237
Office expense	12,585	7,629
Computer service	3,036	4,734
Payroll taxes	27,951	23,272
Truck expenses	14,992	13,422
Training	2,259	5,193
Uniforms	1,641	1,315
Equipment lease	11,457	11,394
Bad debts	7,195	5,195
Depreciation expense	284,518	280,461
Water and lab fees	5,405	3,930
Service agreement	-	5,780
Miscellaneous	4,121	4,880
Total operating expenses	<u>2,272,094</u>	<u>1,626,409</u>
Operating income	<u>101,337</u>	<u>130,345</u>

(continued)

CITY OF SCOTT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Fund (Continued)
 For the Years Ended June 30, 2008 and 2007

	Enterprise Fund	
	2008	2007
Nonoperating revenues (expenses):		
Interest income	81,864	39,564
Interest expense	-	(625)
Gain on sale of assets	-	6,840
Total nonoperating revenues (expenses)	81,864	45,779
Income before transfers	183,201	176,124
Transfers in (out):		
Transfer from 1984 Sales Tax Fund	500,000	500,000
Transfer from 1968 Sales Tax Fund	293,625	253,701
Transfer to Sewer System Construction Fund	(55,506)	(163,355)
Transfer to General Fund	(500,000)	(500,000)
Total transfers in (out)	238,119	90,346
Change in net assets	421,320	266,470
Net assets, beginning	9,876,909	9,610,439
Net assets, ending	\$10,298,229	\$ 9,876,909

CITY OF SCOTT, LOUISIANA

Comparative Statement of Cash Flows
Proprietary Fund
For the Years Ended June 30, 2008 and 2007

	Enterprise Fund	
	2008	2007
Cash flows from operating activities:		
Receipts from customers	\$ 2,338,157	\$ 1,697,273
Payments to suppliers	(1,535,992)	(864,647)
Payments to employees	(433,299)	(386,953)
Net cash provided by operating activities	<u>368,866</u>	<u>445,673</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	-	258,363
Cash paid to other funds	(85,556)	-
Transfers from other funds	793,625	753,701
Transfers to other funds	(555,506)	(663,355)
Net cash provided (used) by noncapital financing activities	<u>152,563</u>	<u>348,709</u>
Cash flows from capital and related financing activities:		
Interest and fiscal charges paid on revenue bonds payable	-	(625)
Proceeds from meter deposits	34,075	37,885
Refund of meter deposits	(30,505)	(27,810)
Acquisition of property, plant and equipment	(270,210)	(230,338)
Net cash used by capital and related financing activities	<u>(266,640)</u>	<u>(220,888)</u>
Cash flows from investing activities:		
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	836,185	808,445
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(1,815,839)	(836,185)
Interest on investments	<u>80,737</u>	<u>37,680</u>
Net cash provided by investing activities	<u>(898,917)</u>	<u>9,940</u>
Net increase in cash and cash equivalents	(644,128)	583,434
Cash and cash equivalents, beginning of period	<u>1,245,984</u>	<u>662,550</u>
Cash and cash equivalents, end of period	<u>\$ 601,856</u>	<u>\$ 1,245,984</u>

(continued)

CITY OF SCOTT, LOUISIANA

Comparative Statement of Cash Flows
Proprietary Fund (Continued)
For the Years Ended June 30, 2008 and 2007

	Enterprise Fund	
	2008	2007
Reconciliation of operating income to net cash used by operating activities:		
Operating income	\$ 101,337	\$ 130,345
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Depreciation	284,518	280,461
Gain on sale of assets	-	6,840
Changes in current assets and liabilities:		
Increase in accounts receivable	(27,993)	(71,631)
Increase in provision for uncollectible accounts	2,233	1,011
(Increase) decrease in unbilled utility receivables	(7,725)	11,139
Increase in other receivables	(3,067)	-
(Increase) decrease in prepaid items	(3,597)	26,584
Increase in accounts payable	20,551	17,276
Increase in accrued liabilities	820	76
Increase in deferred revenue	1,789	43,572
Net cash provided by operating activities	<u>368,866</u>	<u>445,673</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash and interest-bearing deposits - unrestricted	\$ 1,870,055	\$ 1,285,812
Interest-bearing deposits - restricted	34,670	16,755
Less: Interest-bearing deposits with maturity in excess of 90 days	(658,741)	(640,017)
Total cash and cash equivalents, beginning of period	<u>1,245,984</u>	<u>662,550</u>
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	2,202,691	1,870,055
Interest-bearing deposits - restricted	30,486	34,670
Less: Interest-bearing deposits with maturity in excess of 90 days	(1,631,321)	(658,741)
Total cash and cash equivalents, end of period	<u>601,856</u>	<u>1,245,984</u>
Net increase	<u>\$ (644,128)</u>	<u>\$ 583,434</u>

CITY OF SCOTT, LOUISIANA
Enterprise Fund
Utility Fund

Departmental Analysis of Revenues and Expenses
For the Year Ended June 30, 2008
With Comparative Amounts for the Year Ended June 30, 2007

	Totals		Gas	
	2008	2007	2008	2007
Operating revenues:				
Customers service charges	\$2,313,656	\$1,691,254	\$551,335	\$ 516,416
Permits, reconnections and penalties	59,775	65,500	12,175	10,599
Total operating revenues	<u>2,373,431</u>	<u>1,756,754</u>	<u>563,510</u>	<u>527,015</u>
Operating expenses:				
Salaries	282,525	251,955	113,791	91,041
Salaries - plant	66,524	53,060	-	-
Retirement - current	22,637	27,767	7,151	8,315
Meter reader expense	33,662	30,899	8,400	7,725
Disposal charges - plant	2,295	2,090	-	-
Sewerage inspection	3,350	11,150	-	-
Gas and water purchases	669,035	576,651	199,477	213,234
Garbage collection fees	515,045	-	-	-
Supplies and repairs	72,333	88,083	12,124	13,963
Supplies - plant	51,445	45,016	-	-
Repairs and maintenance - garage	24,549	25,191	8,183	7,962
Tower charge	3,814	3,544	1,257	1,181
Telephone - plant	6,152	8,869	-	-
Utilities	14,973	14,849	-	-
Utilities - plant	29,873	25,504	-	-
Professional fees	14,955	16,722	4,985	6,087
Insurance	31,325	33,618	7,121	7,736
Plant insurance	18,052	18,543	-	-
Insurance for employees	38,204	29,237	9,424	7,312
Office expense	12,585	7,629	4,153	2,389
Computer services	3,036	4,734	978	1,578
Payroll taxes	22,650	19,166	9,143	6,800
Payroll taxes - plant	5,301	4,106	-	-
Truck expenses	10,985	10,087	2,877	2,331
Truck expenses - plant	4,007	3,335	-	-
Training	2,101	4,993	1,126	3,103
Training - plant	158	200	-	-
Uniforms	1,389	1,044	656	394
Uniforms - plant	252	271	-	-
Equipment lease	11,457	11,394	3,819	3,798
Bad debts	7,195	5,195	2,878	2,078
Depreciation	212,009	208,650	30,899	29,307
Depreciation - plant	72,509	71,811	-	-
Miscellaneous	307	1,073	91	35
Lab fees - plant	5,405	3,930	-	-
Service agreement	-	5,780	-	-
Alarm system - plant	-	263	-	-
Total operating expenses	<u>2,272,094</u>	<u>1,626,409</u>	<u>428,533</u>	<u>416,369</u>
Net operating income (loss)	<u>\$ 101,337</u>	<u>\$ 130,345</u>	<u>\$134,977</u>	<u>\$ 110,646</u>

Water		Sewerage		Garbage	
2008	2007	2008	2007	2008	2007
\$ 880,438	\$ 817,766	\$ 344,353	\$ 357,072	\$ 537,530	\$ -
36,520	38,181	11,080	16,720	-	-
<u>916,958</u>	<u>855,947</u>	<u>355,433</u>	<u>373,792</u>	<u>537,530</u>	<u>-</u>
82,440	93,467	86,294	67,447	-	-
-	-	66,524	53,060	-	-
9,932	9,328	5,554	10,124	-	-
25,262	23,174	-	-	-	-
-	-	2,295	2,090	-	-
-	-	3,350	11,150	-	-
469,558	363,417	-	-	-	-
-	-	-	-	515,045	-
36,652	41,338	23,557	32,782	-	-
-	-	51,445	45,016	-	-
8,183	9,267	8,183	7,962	-	-
1,257	1,182	1,300	1,181	-	-
-	-	6,152	8,869	-	-
-	-	14,973	14,849	-	-
-	-	29,873	25,504	-	-
4,985	5,278	4,985	5,357	-	-
15,043	15,898	9,161	9,984	-	-
-	-	18,052	18,543	-	-
13,357	10,967	15,423	10,958	-	-
4,153	2,646	4,279	2,594	-	-
1,128	1,578	930	1,578	-	-
6,633	7,174	6,874	5,192	-	-
-	-	5,301	4,106	-	-
3,041	4,617	5,067	3,139	-	-
-	-	4,007	3,335	-	-
847	1,890	128	-	-	-
-	-	158	200	-	-
543	435	190	215	-	-
-	-	252	271	-	-
3,819	3,798	3,819	3,798	-	-
2,878	2,078	1,439	1,039	-	-
99,736	95,062	81,374	84,281	-	-
-	-	72,509	71,811	-	-
212	-	4	1,038	-	-
-	-	5,405	3,930	-	-
-	-	-	5,780	-	-
-	-	-	263	-	-
<u>789,659</u>	<u>692,594</u>	<u>538,857</u>	<u>517,446</u>	<u>515,045</u>	<u>-</u>
<u>\$ 127,299</u>	<u>\$ 163,353</u>	<u>\$ (183,424)</u>	<u>\$ (143,654)</u>	<u>\$ 22,485</u>	<u>\$ -</u>

**INTERNAL CONTROL
AND
COMPLIANCE**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carier, CPA*
Arthur R. Nixon, CPA*

Tynes E. Nixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scroggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guidry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Deucot, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Wanda F. Arcement, CPA
Kristin B. Dauzat, CPA
Richard R. Anderson Sr., CPA
Carolyn C. Anderson, CPA

Retired:
Conrad G. Chapman, CPA* 2006
Harry J. Clossie, CPA 2007

* A Professional Accounting Corporation

OFFICES

183 South Beadle Rd. Lafayette, LA 70508 Phone (337) 232-4141 Fax (337) 232-8660	450 East Main Street New Iberia, LA 70560 Phone (337) 367-9204 Fax (337) 367-9208
---	--

113 East Bridge St. Breaux Bridge, LA 70517 Phone (337) 332-4020 Fax (337) 332-2867	200 South Main Street Abbeville, LA 70510 Phone (337) 893-7944 Fax (337) 893-7946
--	--

1234 David Dr. Ste 203 Morgan City, LA 70380 Phone (985) 384-2020 Fax (985) 384-3020	1013 Main Street Franklin, LA 70538 Phone (337) 828-0272 Fax (337) 828-0280
---	--

406 West Cotton Street Ville Platte, LA 70586 Phone (337) 363-2782 Fax (337) 363-3049	133 East Waddil St. Marksville, LA 71351 Phone (318) 253-8252 Fax (318) 253-8681
--	---

332 West Sixth Avenue Oberlin, LA 70655 Phone (337) 639-4737 Fax (337) 639-4568	621 Main Street Pineville, LA 71360 Phone (318) 442-4421 Fax (318) 442-8833
--	--

WEB SITE:
WWW.KCSRPCAS.COM

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Hazel Myers, Mayor
and Members of the Board of Aldermen
City of Scott, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scott, Louisiana (the City) as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Scott's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the control deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 08-1(IC) and 08-2(IC) to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We also noted another matter concerning financial operations that we have reported to the management of the City in a separate letter dated September 18, 2008.

This report is intended solely for the information and use of the City's management and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 18, 2008

CITY OF SCOTT, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2008

Fiscal Year Finding Initially Occurred	Ref. No.	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/08)						
Internal Control						
Unknown	08-1(IC)	Due to the small number of employees, the City of Scott did not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	No response is considered necessary.	N/A	N/A
6/30/2007	08-2(IC)	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	N/A	The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Donna Jumonville, City Clerk	N/A
Management Letter:						
Unknown	08-3(ML)	The City's sewer department operated at a loss for the year ended June 30, 2008. Consideration should be given to increasing rates and/or decreasing expenses in this department in order to recover all costs of providing sewerage services.	Partial	The sewer rates were increased effective July 1, 2006. Additionally, the City's management continually monitors the operating expenses in this department and makes reductions when necessary.	Donna Jumonville, City Clerk	6/30/2007

(continued)

CITY OF SCOTT, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan (Continued) Year Ended June 30, 2008

Fiscal Year Finding Initially Occurred		Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Ref. No.	PRIOR YEAR (6/30/07)					
<u>Internal Control:</u>						
07-1(IC)	Unknown	Due to the small number of employees, the City of Scott did not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	No response is considered necessary.	N/A	N/A
07-2(IC)	6/30/2007	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	N/A	The City has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Donna Jumonville, City Clerk	N/A
<u>Management Letter:</u>						
07-3(ML)	Unknown	The City's sewer department operated at a loss for the year ended June 30, 2007. Consideration should be given to increasing rates and/or decreasing expenses in this department in order to recover all costs of providing sewerage services.	Partial	The sewer rates were increased effective July 1, 2006. Additionally, the City's management continually monitors the operating expenses in this department and makes reductions when necessary.	Donna Jumonville, City Clerk	6/30/2007

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*

Tynes E. Mixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guidry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bentley, CPA, CVA
Mandy B. Self, CPA
Paul L. Delcambre, Jr. CPA
Wanda F. Arcement, CPA
Kristin B. Dauzat, CPA
Richard R. Anderson Sr., CPA
Carolyn C. Anderson, CPA

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Clossio, CPA 2007

* A Professional Accounting Corporation

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 82329
Lafayette, LA 70598

Phone (337) 232-4141
Fax (337) 232-8660

MANAGEMENT LETTER

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-6204
Fax (337) 367-6208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (865) 384-2020
Fax (865) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 826-0272
Fax (337) 826-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2762
Fax (337) 363-3049

133 East Waddell St.
Marksville, LA 71351
Phone (318) 253-8252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

521 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE:
WWW.KCSRCPAS.COM

The Honorable Hazel Myers, Mayor
and Members of the Board of Aldermen
City of Scott, Louisiana

During our audit of the basic financial statements of the City of Scott for the year ended June 30, 2008, we noted an area in which the efficiency and effectiveness of the operations of the City could be improved. This comment was also included in our management letter dated September 26, 2007 relative to our audit of the June 30, 2007 basic financial statements and is mentioned again for re-emphasis.

The City's sewer department operated at a loss for the year ended June 30, 2008. Consideration should be given to increasing rates and/or decreasing expenses in this department in order to recover all costs of providing sewerage services.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance please feel free to contact us.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 18, 2008